



PERFORMANCE AGREEMENT

This Performance Agreement has been executed pursuant to the **PERFORMANCE EVALUATION SYSTEM FOR THE GOCC SECTOR (GCG MC No. 2013-02)** between the –

GOVERNANCE COMMISSION FOR GOCCs (GCG)

- and -

SOCIAL SECURITY SYSTEM (SSS)

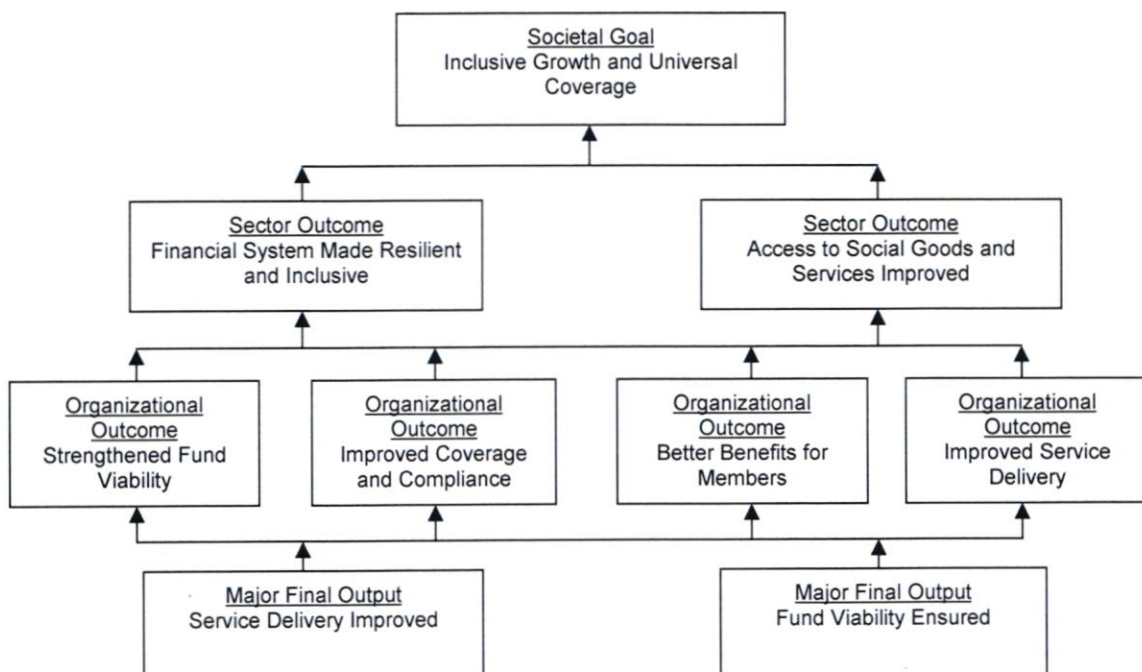
WITNESSETH: THAT –

The Parties agree to the following terms:

1. **Period.** – This Agreement shall be effective for a period of two (2) calendar years beginning from the execution of this Agreement and ending on 31 December 2014.
2. **Charter Statement and OPIF Logframe.** – SSS's Charter Statement and OPIF Logframe for the Period specified in Section 1 hereof, shall be as follows:

Mission: To manage a sound and viable social security system which shall promote social justice and provide meaningful protection to members and their families against the hazards of disability, sickness, maternity, old age, death, and other contingencies resulting in loss of income or financial burden.

Vision: A viable social security institution providing universal and equitable social protection through world-class service.



3. **Measurement of Performance.** – Based on the Interim Performance Scorecard 2013-2014 attached hereto as **Annex A**, SSS's Performance for 2013-2014 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

MFO	Performance Indicator	Weight		Baseline	Annual Targets	
		2013	2014	2012	2013	2014
MFO 1 – Service Delivery Improved	Quantity 1: Number of Physical Examination (PE) Centers implemented (cumulative)	6%	6%	n/a	55	65
	Quantity 2: Number of branches opened	7%	7%	n/a	3	24
	Quantity 3: Number of service centers opened	7%	7%	7	12	10
	Quantity 4: Number of short-term educational loans disbursed	6%	5%	12,454	41,000	50,000
	Quality 1: CSC ARTA rating	6%	5%	79.28%	85%	90%
	Quality 2: Number of ISO certified branches	n/a	5%	1	n/a	4
	Financial 1: Amount of Benefits	10%	10%	₱84.17 Billion	₱92.80 Billion	₱100 Billion
Subtotal of Weights:		42%	45%			
MFO 2 – Fund Viability Ensured	Quantity 1: Number of paying members	8%	5%	31.30%	29%	31%
	Financial 1: Amount of contributions collected	10%	10%	₱94.2 Billion	₱103.3 Billion	₱119 Billion
	Financial 2: Return on Investment (ROI)	10%	10%	11.07%	6.5%	7%
	Financial 3: Net Revenue	20%	20%	₱36.2 Billion	₱30.8 Billion	₱34.0 Billion
Subtotal of Weights:		48%	45%			
General Administrative Services	Financial: Administrative expense loading	10%	10%	62.7%	≤ 67.7%	≤ 68.6%
Subtotal of Weights:		10%	10%			

It is understood that the GOCC must achieve a weighted-average of at least 90% to be eligible to grant any Performance-Based Bonus.

4. **Strategic Initiatives.** – SSS hereby commits to undertake the following key programs and/or projects identified as having a significant impact on its Performance Scorecard (PES Form 2) attached hereto as **Annex B**, to wit:

- (a) Strategic Initiative 1 – SSS AlkanSSSyas Program
- (b) Strategic Initiative 2 – Accreditation of Groups/Associations as Partner Agents (PA) for the Informal Sector
- (c) Strategic Initiative 3 – Memorandum of Agreement with Professional Groups and Other Members

The Commitment herein includes obtaining all necessary approvals, if applicable, such as those for Major Development Projects under GCG MC No. 2013-03. SSS shall include updates on the foregoing Strategic Initiatives in its submission of quarterly monitoring reports to the GCG.

5. **Quarterly Submission of Performance Monitoring.** – SSS shall submit a quarterly monitoring report to the GCG within thirty (30) calendar days from the close of each quarter using the monitoring report attached hereto as **Annex C**.
6. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, the GOCC must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02, namely:
 - 6.1. *Conditions Common to National Government Agencies and GOCCs:*
 - (a) Transparency Seal;
 - (b) PhilGEPS Posting;
 - (c) Cash Advance Liquidation;
 - (d) Citizen's Charter or its equivalent; and
 - (e) Compliance with the submission and review requirements covering Statement of Assets, Liabilities and Networth (SALN);¹
 - 6.2. *Conditions Specific to GOCCs Covered by R.A. No. 10149:*
 - (a) Satisfaction of all statutory liabilities, including the payment of all taxes due to the Government, and declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable. Liabilities that are still under dispute and there has been no final and executory judgment/decision as of the date of the release of the PBB by the GOCC shall be excluded for the purpose of this provision.
 - (b) Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any.
 - (c) Adoption of a "Manual of Corporate Governance" pursuant to Section 42 of the **CODE OF CORPORATE GOVERNANCE FOR GOCCs (GCG MC No. 2012-07)** that is approved by GCG and uploaded on the GOCC's website.
 - (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.

¹ See CIVIL SERVICE COMMISSION MEMORANDUM CIRCULAR NO. 3, s. 2013.

(e) Adoption of a **No Gift Policy** approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07.

7. SSS hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. SSS shall determine the most effective method for accomplishing the said purpose. Such information shall be reported to GCG together with the quarterly monitoring report. The rating shall not affect the performance indicators/measures in SSS's Performance Scorecard, and shall be used solely as a reference by GCG and SSS during Performance Agreement Negotiations/Renegotiations
8. Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

DONE, this 15 November 2013 in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR
GOCCs**

BY AUTHORITY OF THE COMMISSION:


CESAR L. VILLANUEVA
Chairman



MA. ANGELA E. IGNACIO
Commissioner


RAINIER B. BUTALID
Commissioner

SOCIAL SECURITY SYSTEM


JUAN B. SANTOS
Chairman


EMILIO S. DE QUIROS JR.
Vice Chairman and President


DIANA V. PARDO-AGUILAR
Commissioner


ELIZA BETTINA R. ANTONINO
Commissioner


ROSALINDA D. BALDOZ
Commissioner



DANIEL L. EDRALIN
Commissioner



BIENVENIDO E. LAGUESMA
Commissioner



IBARRA A. MALONZO
Commissioner



MARIANITA O. MENDOZA
Commissioner

SOCIAL SECURITY SYSTEM (SSS)

Performance Measures					Baseline Data			Targets	
Description	Formula	Weight		Rating System	2010	2011	2012	2013	2014
		2013	2014						
MFO 1 : Service Delivery Improved									
Quantity 1: Number of Physical Examination (PE) Centers implemented	Absolute figure (cumulative)	6%	6%	Actual/Target x Weight	n/a	n/a	n/a	55	65
Quantity 2: Number of branches opened	Absolute figure	7%	7%	Actual/Target x Weight	n/a	n/a	n/a	3	24
Quantity 3: Number of service centers opened	Absolute figure	7%	7%	Actual/Target x Weight	n/a	n/a	7	12	10
Quantity 4: Number of short-term educational loans disbursed	Absolute figure	6%	5%	Actual/Target x Weight	n/a	n/a	12,454	41,000	50,000
Quality 1: CSC ARTA Rating	Percentage	6%	5%	Actual/Target x Weight	n/a	n/a	79.28%	85%	90%
Quality 2: Number of ISO certified branches	Absolute figure	n/a	5%	Actual/Target x Weight	n/a	n/a	1	n/a	4
Financial 1: Amount of Benefits	Absolute figure	10%	10%	Actual/Target x Weight	₱77.17 Billion	₱82.76 Billion	₱84.17 Billion	₱92.80 Billion	₱100 Billion
Subtotal of Weights:		42%	45%						

Interim Performance Scorecard 2013-2014 (Annex A)

Performance Measures					Baseline Data			Targets	
Description	Formula	Weight		Rating System	2010	2011	2012	2013	2014
		2013	2014						
MFO 2 : Fund Viability Ensured									
Quantity 1: Percentage of paying members	Number of paying members/ Total number of private sector employees (per DOLE)	8%	5%	Actual/Target x Weight	29.30%	29.40%	31.30%	29%	31%
Financial 1: Amount of contributions collected	Absolute figure	10%	10%	Actual/Target x Weight	₱79.27 Billion	₱85.97 Billion	₱94.21 Billion	₱103.3 Billion	₱119 Billion
Financial 2: Return on Investment (ROI)	Investment and Other Income/ Total Investments and Loans	10%	10%	Actual/Target x Weight	10.80%	10.67%	11.07%	6.5%	7%
Financial 3: Net Revenue	Absolute figure	20%	20%	Actual/Target x Weight	₱22.83 Billion	₱25.55 Billion	₱36.20 Billion	₱30.80 Billion	₱34.00 Billion
Subtotal of Weights:		48%	45%						
General Administrative Services									
Financial 1: Administrative expense loading	Actual OPEX/Charter Limit	10%	10%	All or nothing	68.71%	67.07%	62.73%	≤67.7%	≤68.6%
Subtotal of Weights:		10%	10%						
TOTAL OF WEIGHTS:		100%	100%						

Strategic Initiatives Profile (Annex B)

SOCIAL SECURITY SYSTEM STRATEGIC INITIATIVES PROFILE

Strategic Initiative 1

1. Name of Project : **SSS AlkanSSSy Program**
2. Contact Person / Project Team Head : VP May Catherine C. Ciriaco/Amelia Tolentino
3. Project Description : To encourage the self-employed in the informal sector to save up for their monthly SSS contribution.
4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Pursue AlkanSSSy Program as a major driver to cover the unregulated sectors			17,504,834.00	Corporate Operating Budget	
a) Availability of AlkanSSSy Program Kits for participating members	January 2013	Continuing	391,294.00	Corporate Operating Budget	Distributed to 83 out of 132 Branches (63% accomplished)
b) Coverage of 6 models/ sectors within the year	January 2013	December 2013	N/A	N/A	8 models/ sectors covered <ul style="list-style-type: none"> - Jail Inmates - Brgy. Employees - Golf Course Workers - Community-Based Associations - Airport Service Providers - Cooperative - Motorboat Service Corp. - Farmers
c) AlkanSSSy Program launchings	January 2013	Continuing	2,560,596.00	Corporate Operating Budget	Continuing nationwide; total of 160 informal sector groups and 13,634 members expected to be covered by 30 June 2013
d) Monitoring of AlkanSSSy Program implementation	January 2013	Continuing	952,944.00	Corporate Operating Budget	
e) Fund assistance for the SSS AlkanSSSy Program for Informal Sector Groups	Jul 2013 (Target)	Continuing	13,600,000.00	Investment Reserved Fund	Approved for implementation per SSC Resolution No. 466, s.2013

5. Measure Affected: MFO 2 – Financial 1: Amount of Contributions Collected.

Strategic Initiatives Profile (Annex B)

Strategic Initiative 2

1.

Name of Project

:

Accreditation of Groups/Associations as Partner Agents (PA) for the Informal Sector
2.

Contact Person / Project Team Head

:

SVP Judy Frances A. See
3.

Project Description

:

To encourage the self-employed in the informal sector to save up for their monthly SSS contribution.
4.

Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Accredit groups/associations as partner agents (PA) for the informal sector (10 MOAs)	January 2013	December 2013	P360,815.00	Corporate Operating Budget	Signed MOA with 7 partner agents: Center for Agriculture and Rural Development (CARD), Inc.; CARD Bank Inc.; CARD-SME Bank Inc.; BAUG CARP Beneficiaries Multi-purpose Cooperative; Ahon sa Hirap, Inc.; Simbag sa Pag-asenso; Deep well Sumulong Irrigators Association

5.

Measure Affected:

a. MFO 2 – Quantity 1 – Percentage of Paying Members

b. MFO 2 – Financial 1 – Amount of Contributions Collected

Strategic Initiatives Profile (Annex B)

Strategic Initiative 3

1. Name of Project : **Memorandum of Agreement (MOA) with Professional Groups and Other Members**
2. Contact Person / Project Team Head : SVP Judy Frances A. See
3. Project Description : To facilitate coverage of the professional groups and other members who are not included in the SSS membership groups.
4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Forge and implement MOA with professional groups (i.e. IBP, PICPA, UAP, etc) Target- 6 professional groups	January 2013	December 2013	P177,000	Corporate Operating Budget	Consultative meetings conducted with the following: Phil. Dental Association, Phil. Institute of Civil Engineers, Phil. Psychiatric Association, Phil. Veterinary Medical Association, MOA signed with PICE-QC Chapter
Prepare Administrative Order/MOA with DILG/LGUs on the Job Order Contractual of Local Government	1 st semester 2013	December 2013	minimal	Corporate Operating Budget	MOA and implementing guidelines approved by the SSC on July 5, 2013

5. Measure Affected: a. MFO 2 – Quantity 1 – Percentage of Paying Members
b. MFO 2 – Financial 1 – Amount of Contributions Collected

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MFO	Formula	Weight	Rating/ Score	Baseline	2013								
				1st Quarter		2nd Quarter		Revised Full Year Target	3rd Quarter		4th Quarter		
				2012	Target	Actual	Target		Actual	Target	Actual	Target	Actual
MFO 2 : Fund Viability Ensured													
Quantity 1: Percentage of paying members	Number of paying members/ Total number of private sector employees (per DOLE)	8%	Actual/Target x Weight	31.30%									
Financial 1: Amount of contributions collected	Absolute figure	10%	Actual/Target x Weight	₱94.21 Billion									
Financial 2: Return on Investment (ROI)	Investment and Other Income/ Total Investments and Loans	10%	Actual/Target x Weight	11.07%									
Financial 3: Net Revenue	Absolute figure	20%	Actual/Target x Weight	₱36.20 Billion									
Subtotal of weights and ratings:		48%											
General Administrative Services													
Financial 1: Administrative expense loading	Actual OPEX/Charter Limit	10%	All or nothing	≤ 67.7%									
Subtotal of weights and ratings:		10%											
TOTAL OF WEIGHTS AND RATINGS:		100%											

* Rating of an indicator should not exceed its corresponding weight.